SoSN - Dept. Rpts.

c.2

Government of Saskatchewan

# Annual Report 1981-82

## Saskatchewan Co-operation and Co-operative Development

RECEIVED
DEC - 9 1982
LEGISLATIVE
LIBRARY

# Annual Report 1981-82

ISSN 0710-684X

# Saskatchewan Co-operation and Co-operative Development

for the fiscal year ending
**March 31, 1982**

Minister
**Hon. Jack Sandberg**

Deputy Minister
**Dale Folstad**

**Saskatchewan
Co-operation and
Co-operative
Development**

**2055 Albert Street
Regina, Saskatchewan
S4P 3V7**

# Contents


Letters of Transmittal ____ 2

Introduction ____ 3

Organizational Chart ____ 4

Objectives ____ 4

Policy, Planning and Program Co-ordination Branch ____ 5

Co-operative Relations Branch ____ 6

Co-operative Education Services Branch ____ 7

Administrative Services Branch ____ 8

Co-operative Guarantee Board ____ 9

Co-operative Guarantee Act ____ 11

Co-operative Development Services Branch ____ 13

New Incorporations ____ 14

Co-operative Examination Services Branch ____ 15

Co-operative Securities Board ____ 20

Family Farm Credit Act ____ 21

# Letters of Transmittal

The Honourable C. Irwin McIntosh
Lieutenant Governor
Province of Saskatchewan

Sir:

I have the honour to submit herewith the 38th annual report of the Department of Co-operation and Co-operative Development for the fiscal year ended March 31, 1982.

Respectfully submitted,

Jack Sandberg
Minister
Saskatchewan Co-operation
and Co-operative Development

The Honourable Jack Sandberg
Minister of Co-operation and
Co-operative Development
Regina, Saskatchewan

Sir:

I have the honour to submit for your consideration the annual report of the Department of Co-operation and Co-operative Development for the year ended March 31, 1982.

Respectfully submitted,

Dale Folstad
Deputy Minister

# Introduction

During the last year, my predecessor, Grant Mitchell began a major reorganization within the department.

A Policy, Planning and Program Co-ordination Branch was created to assist the department in defining clear statements of policy and objectives. A Native Unit was established within the branch to produce programs to meet co-operative development needs defined by the Native Community.

Communications between the department and the directors, officials and members from all areas of the co-operative sector is the responsibility of the new Co-operative Relations Branch. The branch was created to establish a close working relationship with co-op officials.

The Co-operative Development Services Branch continues to assist the "grass roots" development of co-operatives throughout the province. Co-operative Management Advisors and co-ordinators help the department perform its role as a facilitator and advocate for co-operative development initiatives.

The Co-operative Examination Services Branch is the central advisory and regulatory body for credit unions and co-operatives throughout the province. The branch administers financial early warning systems to predict operational problems ahead for co-ops and credit unions.

The Administrative Services Branch provides financial management and support services to the department. The branch also develops specialized management consulting services which are available to co-operatives not aligned with large co-op centrals.

The Co-operative Education Branch develops and makes available a wide variety of co-operative education materials. The branch works with school boards and teachers who wish to use historical information about co-operatives or who wish to use the co-operative learning model in teaching their students.

During the year, the department served as a useful instrument in assisting co-operatives in their contacts with government and was an effective advocate for co-ops in efforts to secure new economic opportunities, including joint ventures with government.

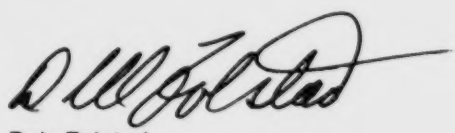
Several department projects were successfully carried through during fiscal 1981-82, including:

- $2.4 million in financial assistance committed to Canadian Co-op Implements Ltd. from the Government of Saskatchewan;
- provincial government expansion loans and job creation grants exceeding $25 million committed to the Consumers' Co-op Refinery;
- joint action between the department and the Association of Production Co-operatives to obtain a more equitable federal taxation policy for people sharing land, equipment or both;
- joint government and co-operative sector information and promotional activities including "Co-op Week" and the Saskatchewan Co-operative Merit Award Program;
- 407 homes built under the Co-operative Home Building Program;
- establishment of a Native programming unit with the department to create initiatives for Native/Indian co-operative development.

During the coming year, we plan to make further reorganization changes in the department with a view to increasing efficiency and effectiveness in program delivery.

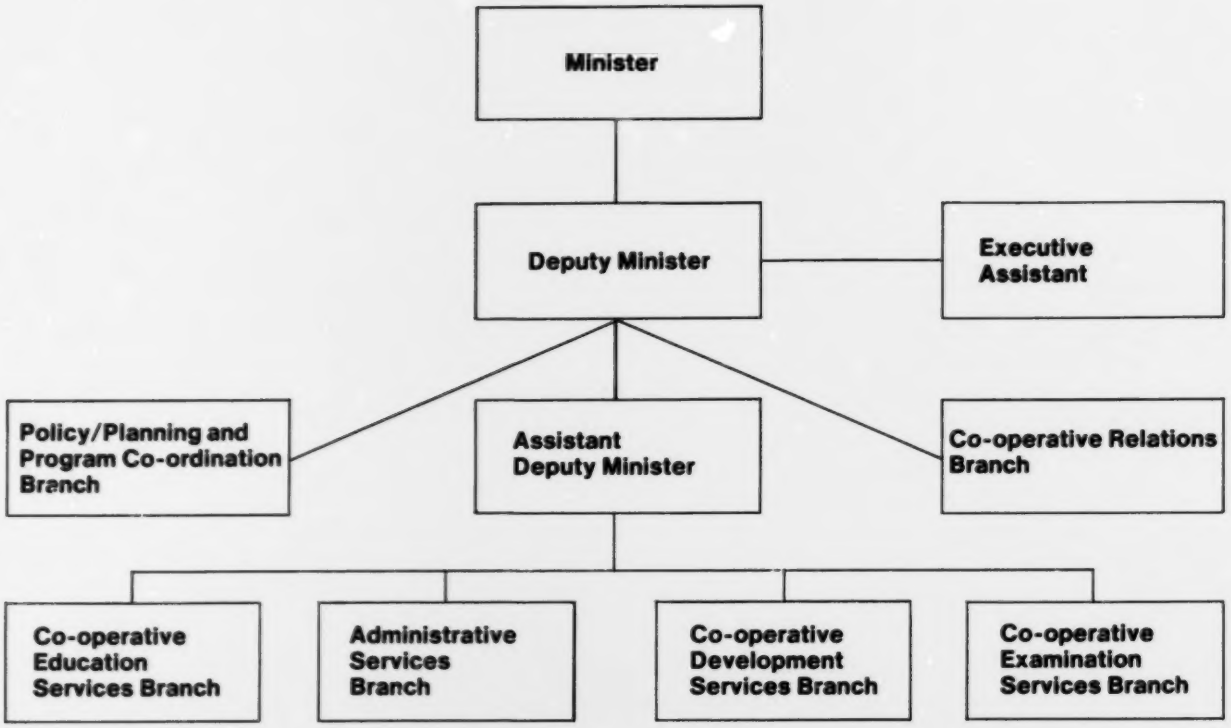
In the important area of co-operative development we are looking at the possibility of shifting the emphasis from providing loans, grants and subsidies, to providing stronger technical support and responsive and enabling legislation.

Officials from this department have had an opportunity to meet with co-operative officials and members throughout the province. These discussions have been beneficial and they will continue to help determine the direction and objectives of the department now and in the future.



Dale Folstad
Deputy Minister.

# Organizational Chart




## Objectives

The department's objectives are to promote awareness of the benefits of co-operation and to facilitate the organization and operation of viable, self-sufficient co-operative enterprises which benefit the member, and contribute to the overall growth of the province.

# Policy, Planning and Program Co-ordination Branch

- develops policies and program initiatives to help the department give clear direction, support and assistance to the co-operative sector;
- co-ordinates plans and programs between the department and other provincial agencies;
- assists the department's fieldstaff to develop methods to help organize local groups interested in co-operative development.

The branch is divided into two units. The General Policy Planning Unit provides the above services to the co-operative sector at large. The Native Planning and Co-ordination Unit provides information on co-operative development to Native/Indian groups and acts as a training resource to fieldstaff during the organization of native co-operatives.

## General Policy Planning Unit

During the year, the unit completed a community impact and planning study for Federated Co-operatives Limited (F.C.L.) and 16 retail co-operatives in the south central area of the province. The South Central Community Co-operative Study was designed to provide FCL and the co-operatives in the region with data on the changing trends, shopping patterns and demography of South Central Saskatchewan. The study was based on guidelines established by a steering committee involving department staff, FCL and representatives of the 16 co-operatives in the Assiniboia region.

The unit took part in community workshops as part of the Co-operative Future Directions Project (CFDP). The three year research project was based at York University. The project, which ended in June 1982, was sponsored by the co-operative centrals across Canada and was designed to provide planning information for the co-operative sector through to the year 2000.

During the year, staff represented the department in a number of inter-departmental committees including a task force on programs for senior citizens and a committee on transportation policies for the elderly and disabled.

A policy outline on the development of cable T.V. co-operatives was completed. The policy guideline will be used by fieldstaff in their development work. In addition, staff also carried out preliminary research toward developing a strategy based on the concept of community development.

## Native Planning and Co-ordination Unit

Initially, a review was undertaken to determine the support services required to introduce a special program to people of Indian/Native ancestry. Following this review, the Native Unit was organized within the Policy, Planning and Program Co-ordination Branch.

Resource materials were collected containing data on: Native groups, organizations and communities; programs and services of other agencies; applicable research material for Native people regarding co-operative initiatives and other community based programs.

Government policies for social and economic development were reviewed to identify areas where co-operative development is most appropriate.

Educational manuals were researched and developed by the unit for use with existing and emerging co-operatives. Educational materials were also gathered to provide information workshops or seminars to interest groups. During the year several of these workshops were conducted for Native/Indian interest groups, some of which are now in the first stage of development.

The unit sponsored a cross cultural seminar for department personnel and represented the department in a number of inter-departmental committees, task forces and conferences.

# Co-operative Relations Branch

- liaison between the provincial government, department staff and the directors, officials and members of Saskatchewan's co-operative sector;
- provides information materials to co-operative organizations and the general public on co-operation and co-operatives, and on the department's policies, programs, objectives and activities.

## Co-operative Relations

The branch encourages a close working relationship with co-op sector officials by helping co-operatives bring their concerns, needs and ideas to the attention of the department and the provincial government. The department also relays information and concerns of the provincial government to co-operative officials.

During the 1981-82 reporting period, the branch organized a series of meetings between department officials and co-operatives throughout the province to discuss the role of the department and to obtain the views of these co-operatives on future directions.

The branch was an active participant in projects sponsored by the Saskatchewan Co-operative Activities Council. The Council is made up of representatives of the co-operative sector and the Department of Co-operation. The Council's aim is to provide a forum which facilitates co-ordination of joint activities between participating co-operatives.

"Co-op Week" and the Saskatchewan Co-operative Merit Awards Program were jointly sponsored by the Council and the department during the year.

The branch helped to prepare and co-ordinate the production of promotional materials on Co-op Week, and assisted the Council in the distribution of these materials to the province's co-operatives.

During 1981-82, the Co-operative Merit Award Program honoured ten recipients who have made outstanding contributions to co-operative development within their community and to the province as a whole. The program consists of two awards: the "Co-operative Order of Merit" and the "Co-operative Certificate of Merit". The Minister of Co-operation presents both awards to deserving individuals chosen by the Council.

The "Order of Merit" was presented to: Dr. George W. Robertson (posth.), Dr. George Urwin (posth.), Dr. Wilson Parker and Wilfred H. MacLeod.

Receiving the "Co-operative Certificate of Merit" were: David A. Cunningham, Donald G. Tullis, Dr. Clifford Whiting, Evald J. Hansen (posth.), Lorayne Janeson and Cecil A. Robson.

## Public Information Activities

During the reporting period, the branch undertook public information activities to create awareness of the co-operative model, and of the department's policies, programs and services.

Public information activities include: public inquiry service, news media relations, publications and audio-visual materials, advertising and public relations, the department resource centre.

**Public Inquiry and News Media Relations**
The branch responded to numerous requests for information and prepared several news releases and redi-print stories for distribution to the news media. The branch also arranged radio, television and press interviews with department spokespersons in accordance with the department's media policy.

**Publications and Audio Visual Materials**
The branch produced three issues of the department's external newsletter "Co-operative Information" and circulated 5,000 copies of each issue to individuals and organizations. Several pamphlets, booklets and promotional materials were created or revised on the topics of Saskatchewan co-operatives, opportunities for co-operative action and the role and services of the department. Approximately 50,000 pamphlets were distributed during the year.

Several new audio visual programs for both slide tape and video tape were produced on subjects dealing with co-operatives, co-operative development and department programs.

The branch worked closely with the Co-operative College of Canada on an information delivery project, which identified opportunities for joint action between co-operatives in the area of communications and software production, using existing and

new technologies. During one phase of the project, a two hour television program about co-operatives was broadcast from the University of Saskatchewan via Anik B. satellite. Cable T.V. networks around the province received the program using 1.8 metre dish earth stations.

**Advertising and Public Relations**
New department advertising themes were developed during the reporting period. A two-part ad series publicized the Premier's proclamation of "Co-op Week" and carried a message from the Minister of Co-operation on the growth and importance of co-operatives to the Saskatchewan economy.

An institutional advertising campaign was launched to raise the profile of fieldstaff and the services offered through the department's district offices.

The branch undertook various public relations activities during the year. These activities included: co-ordination of special events; anniversaries and openings; presentation of plaques and awards; preparation of speech materials for senior department staff; exhibits and displays.

**The Resource Centre**
During the year, the Centre's work emphasis shifted from acquisition of resource materials to include the distribution of information materials to branches of the department and to the public. The clipping service was expanded and the compiling of a card catalogue initiated. The Centre also took over the maintenance and distribution of the department's audio-visual programs and equipment.

Greater use of the materials on hand was made by the public seeking information, and by students doing research projects. Approximately 400 requests for information were handled.

# Co-operative Education Services Branch

- provides resource materials and teacher workshops to educators in elementary and high schools, universities and community colleges.

**Co-operative Learning Model**
In order to respond to the high level of interest shown at the February 1981 workshops on "Co-operative, Competitive and Individualized Goal Structuring", Professors David and Roger Johnson from the University of Minnesota were asked to present a training workshop for classroom teachers and consultants. This workshop was attended by 35 people from various organizations including: Department of Co-operation, University of Regina Faculty of Education, Community College system, Regina School system, Co-operative College of Canada and Katimivik.

Follow up on the training event by the branch co-ordinators and consultants resulted in 110 presentations and workshops involving 2,396 educators. These workshops involved over 20 school divisions, more than 50 schools, both universities and five Saskatchewan Teacher's Federation subject councils.

**Co-operative Games**
Considerable interest continued to be shown in the area of co-operative games. Various educators received training at co-operative game workshops including: teachers at all grade levels, recreation workers, day care workers and church group leaders. During the year, 66 workshops were attended by more than 2,000 individuals.

**Elementary School Program**
New kindergarten materials along with co-operative games and activities were prepared for distribution in 1982-83.

**High School Program**
The teacher resource material "Co-operative Outlooks", which was distributed in 1980-81, was supplemented by a unit of study on the Consumers' Co-operative Refineries in Regina.

**Government Co-operative Bursary**
Three students received awards from the Saskatchewan Government Co-operative Bursary Program for advanced studies in the area of co-operatives and co-operation.

# Administrative Services Branch

- provides a consulting service for co-operatives;
- provides financial assessments and follow up for all grant, loan and guarantee applications;
- secretariat for the Co-operative Guarantee Board;
- reviews and prepares all required legislation;
- co-ordinates the development of department budget;
- provides general administrative support for department functions and programs.

**Consulting Services**
The branch provides management consulting advice to Saskatchewan co-operatives. This advisory service supplements efforts by the other branches in their discussions for financing on behalf of various co-operatives.

During the year, 14 financial reviews and 11 feasibility studies were completed for co-operatives. In addition, 36 co-operatives or potential co-operatives were provided with general consultant advice.

The branch played a leading role in negotiations with the governments of Canada, Saskatchewan, Manitoba and Alberta, together with a group of major co-operatives to arrange a refinancing package for Canadian Co-operative Implements Limited.

**Grant, Loan and Guarantee Applications**
The branch screens and analyses each application for guarantees, grants or loans. Such analysis provides alternative courses of action which aid the development or retention of a viable co-operative at the least cost. Advice on locating suitable capital and assistance to design suitable capital structures is also available.

During the year, $230,000 in development grants were provided to 14 co-operatives. In addition, $1.3 million was provided in loans under the Loans, Advances and Investments Program of the department.

After any guarantee, investment or grant is made by the government to a co-operative, the branch conducts a follow up and monitors each co-operative involved to protect the interests and investments of the co-operative as well as those of the government.

**Secretariat for the Co-operative Guarantee Board**
The branch acts as the secretariat for the Co-operative Guarantee Board. The Board was established under The Co-operative Guarantee Act to assist the development of co-operatives by providing means for raising funds by way of government guarantees and investments. (See report of Co-operative Guarantee Board).

**Legislation**
During the year, the branch worked on a new set of Standard Bylaws for credit unions. Although the Bylaws have been amended from time to time as required, this review was the first major work done on the regulations governing credit unions since 1972.

The Standard Bylaws were discussed in numerous meetings with the Legislation Committee established by the credit unions, and with officials of the Mutual Aid Board. They were also circulated to all credit unions.

**Budget Co-ordination**
A major revision of the budget and the budget process was required as a result of the reorganization and restructuring of the department. The branch co-ordinated the development of the new Policy and Planning Branch in conjunction with the operational plans of the other branches. In addition, the branch also provided fiscal forecasts to assist in the management of available resources.

**Support Services**
The branch is responsible for the general administrative support required by the other branches of the department. This support includes: personnel, accounting and assistance in expenditure control, office space and supplies.

During the year, the branch completed a review of many of the job descriptions in use within the department. These revised job descriptions provided a clear outline of the positions, duties and responsibilities as well as a measure of the incumbent's performance level in meeting expected objectives.

In addition, the branch initiated a program of employee performance appraisal within the department to ensure better communication with employees on their progress in meeting performance expectations.

The branch co-ordinated staff attendance at upgrading courses and seminars. During the reporting period more than 40 employees participated in 120 seminars which were designed to upgrade skills and knowledge relevant to the department's job environment.

The department staff complement rose slightly during the year, up 8.5%. The amount of staff turnover during this period of reorganization remained low at 19%.

The branch provided accounting records and management information on the department's expenditures and operations. The audit review of our accounting records identified no significant problems.

# Co-operative Guarantee Board

The Co-operative Guarantee Board was established in 1947 under the provisions of The Co-operative Guarantee Act (R.S.S. 1978, Ch - 35). Members of the Board as of March 31, 1982, were:

Mr. Grant Mitchell, Regina, Chairman,
Mr. Donald M. Lockwood, Regina
Mr. Morley I. Meiklejohn, Regina
Miss M. Isabelle Butters, Weyburn
Dr. Gerry Gartner, Regina
Mr. Winston G. Ho-Fatt, Regina, Secretary
Mr. Eric Harbottle was Mr. Mitchell's alternate.

**Purpose**
The government, through The Co-operative Guarantee Act, acts as a guarantor of last resort to assist in the development of viable co-operative enterprises. The Co-operative Guarantee Board approves guarantees for projects, which are potentially viable and can be of economic and social benefit to the people of Saskatchewan, but which cannot be financed through conventional lenders because of a variety of factors. Such factors might include the novelty of the project, the lack of sufficient equity financing, the location of the business, or the economic status of the members.

The projects are therefore of necessity, high risk in nature.

**Background on Operations**
All approved lenders may apply for guarantees from the provincial government for the repayment of monies loaned by the lenders. These applications are all reviewed by the Co-operative Guarantee Board, which then makes its recommendations to the minister. The board may include among its recommendations, advice on whether all or only part of a particular loan should be guaranteed, what security should be taken, and what conditions should be met before or after a guarantee is granted.

Two of the approved lenders of the board are the Saskatchewan Co-operative Credit Society Limited and Saskatchewan Co-operative Financial Services Limited. They may receive guarantees for loans made to:

- co-operative associations for financing permanent improvements, purchase of farm machinery or livestock, fixed capital requirements, working or seasonal capital requirements, special capital requirements, or housing units;
- credit unions for financing certain secured loans of the credit union or for fixed capital requirements;
- producer marketing boards for financing working or other seasonal capital requirements;
- members of co-operative associations or credit unions for financing purchase of farm land, improvements on farm land, homes in rural areas, farm machinery, livestock, and housing which may not be insured under The National Housing Act (Canada).

The total liability under these guarantees shall not exceed $20,000,000 for each of these lenders.

The other approved lenders are the Co-operative Trust Company of Canada and the Northland Bank. They may receive guarantees for loans to:

- shareholders of the organization or members of share holding organizations, for purchases of farm land, improvements on

farm land, homes or farm buildings, farm machinery, livestock or housing;

- co-operative associations or credit unions for fixed capital requirements;

- co-operative associations of a province-wide nature for special capital requirements.

The total liability under these guarantees shall not exceed $5,000,000.

The Co-operative Guarantee Board has, as a resource, the Consulting and Financial Services Section of the Administrative Services Branch which acts as secretariat to the Board. This section provides analysis of applications for government guarantees and carries out active and detailed monitoring of outstanding government guarantees.

**Operations During Past Fiscal Year**

Two new guarantees with a total value of $550,000 were approved in the 1981-82 fiscal year. As of March 31, 1982, the loans were not yet drawn. Five loan guarantees were in effect at March 31, 1982. The original amounts of the guarantees totalled $3,381,450.00 although the actual loans outstanding and guaranteed was $2,926,714.35.

One of the organizations which received a guarantee was placed into receivership in 1981. No losses to the fund are anticipated as a result of that receivership.

Table I details the contingent liability for loan guarantees provided under The Co-operative Guarantee Act. The annual number of loans approved for guarantees since the establishment of the Co-operative Guarantee Board are recorded in Table II.

# Co-operative Guarantee Act

**Table I**
**Government Contingent Liability**

| Year Ending March 31 | Aggregate Loans Outstanding[1] | Guaranteed Portion of Loan Amounts Outstanding: Shared Loss[2] | Other[3] | 100%[4] | Total[5] |
|---|---|---|---|---|---|
| 1949 | $ 23,800.00 | $11,900.00 | $ — | $ — | $ 11,900.00 |
| 1950 | 78,731.55 | 39,365.77 | — | — | 39,365.77 |
| 1951 | 128,184.82 | 64,092.41 | — | — | 64,092.41 |
| 1952 | 189,479.04 | 44,449.51 | 3,600.00 | 95,780.02 | 143,829.53 |
| 1953 | 218,629.86 | 51,471.79 | 3,610.65 | 110,872.07 | 165,954.51 |
| 1954 | 191,915.83 | 41,208.90 | 2,100.00 | 106,698.02 | 150,006.02 |
| 1955 | 169,697.05 | 41,711.96 | 1,183.07 | 84,695.69 | 127,590.72 |
| 1956 | 133,515.07 | 34,930.40 | 806.49 | 62,578.95 | 98,315.84 |
| 1957 | 115,334.78 | 29,961.83 | — | 55,411.11 | 85,372.94 |
| 1958 | 97,986.40 | 27,596.53 | — | 42,793.33 | 70,389.86 |
| 1959 | 100,647.73 | 27,428.68 | — | 45,790.37 | 73,219.05 |
| 1960 | 231,563.52 | 16,194.67 | — | 199,174.17 | 215,368.84 |
| 1961 | 232,522.35 | 58,862.34 | — | 114,797.67 | 173,660.01 |
| 1962 | 281,684.96 | 53,278.87 | — | 175,127.22 | 228,406.09 |
| 1963 | 285,935.71 | 17,209.58 | — | 191,516.55 | 238,726.13 |
| 1964 | 234,571.08 | 37,886.23 | — | 158,798.62 | 196,684.85 |
| 1965 | 180,529.88 | 29,843.84 | — | 120,842.19 | 150,686.03 |
| 1966 | 131,007.09 | 23,372.64 | — | 84,261.81 | 107,634.45 |
| 1967 | 106,125.45 | 18,644.38 | — | 68,836.70 | 87,481.08 |
| 1968 | 106,454.00 | 14,122.26 | — | 78,209.47 | 92,331.73 |
| 1969 | 122,778.61 | 9,029.78 | — | 104,719.06 | 113,748.84 |
| 1970 | 95,088.06 | 4,336.30 | — | 86,415.46 | 90,751.76 |
| 1971 | 79,722.32 | 262.45 | — | 79,197.43 | 79,459.88 |
| 1972 | 332,203.67 | 262.45 | — | 331,678.78 | 331,941.23 |
| 1973 | 168,675.14 | 112.45 | — | 168,450.25 | 168,562.70 |
| 1974 | 1,126,548.53 | 100.10 | 250,000.00 | 692,684.18 | 942,784.28 |
| 1975 | 2,930,765.84 | — | 1,006,922.00 | 1,773,843.14 | 2,780,765.14 |
| 1976 | 5,896,530.41 | — | 1,407,232.15 | 3,517,676.82 | 4,924,908.97 |
| 1977 | 5,668,066.76 | 9,703.00 | 1,241,644.85 | 3,640,343.01 | 4,891,690.86 |
| 1978 | 7,850,794.12 | — | 1,438,763.37 | 5,121,396.20 | 6,560,159.57 |
| 1979 | 12,117,254.12 | — | 5,667,740.84 | 5,582,997.99 | 11,250,738.83 |
| 1980 | 6,757,182.18 | — | 2,766,544.86 | 3,285,365.96 | 6,051,910.82 |
| 1981 | 5,344,505.62 | — | 2,659,148.67 | 2,310,356.95 | 4,969,505.62 |
| 1982 | 3,301,714.35 | — | 2,628,273.79 | 298,440.56 | 2,926,714.35 |

(1) Total original loans still outstanding.
(2) Losses shared on a percentage basis.
(3) Losses shared up to specified dollar amount.
(4) Losses guaranteed at 100% to maximum amount.
(5) Balance outstanding (original principal minus amount paid back).

# Co-operative Guarantee Act

**Table II**
**Number and Amount of Loans**

| March 31 | Approved | | Aggregate Loans Outstanding | |
|---|---|---|---|---|
| | Number | Amount | Number | Amount |
| 1949 | 1 | $ 23,800.00 | 1 | $ 23,800.00 |
| 1950 | 8 | 115,500.00 | 6 | 78,731.55 |
| 1951 | 9 | 80,500.00 | 12 | 128,184.82 |
| 1952 | 20 | 274,780.00 | 16 | 189,479.04 |
| 1953 | 7 | 104,600.00 | 16 | 218,629.86 |
| 1954 | 1 | 7,000.00 | 16 | 191,915.83 |
| 1955 | 1 | 16,000.00 | 14 | 169,697.05 |
| 1956 | 1 | 1,000.00 | 12 | 133,515.07 |
| 1957 | 3 | 5,500.00 | 12 | 115,334.78 |
| 1958 | Nil | Nil | 11 | 97,986.40 |
| 1959 | 7 | 33,600.00 | 10 | 100,647.73 |
| 1960 | 6 | 322,000.00 | 10 | 231,563.52 |
| 1961 | 13 | 451,200.00 | 15 | 232,522.35 |
| 1962 | 15 | 135,100.00 | 28 | 281,684.96 |
| 1963 | 11 | 114,000.00 | 30 | 285,935.71 |
| 1964 | 10 | 114,415.00 | 22 | 234,571.08 |
| 1965 | 1 | 4,000.00 | 20 | 180,529.88 |
| 1966 | Nil | Nil | 19 | 131,007.09 |
| 1967 | Nil | Nil | 14 | 106,125.45 |
| 1968 | 1 | 21,000.00 | 15 | 106,454.00 |
| 1969 | 4 | 49,400.00 | 18 | 122,788.61 |
| 1970 | 2 | 60,000.00 | 15 | 95,088.06 |
| 1971 | 1 | 45,000.00 | 13 | 79,722.32 |
| 1972 | 3 | 527,903.00 | 11 | 332,203.67 |
| 1973 | 6 | 1,022,000.00 | 6 | 168,675.14 |
| 1974 | 10 | 2,053,408.00 | 10 | 1,126,548.53 |
| 1975 | 19 | 13,118,906.00 | 20 | 2,930,765.84 |
| 1976 | 20 | 12,556,922.00 | 29 | 5,896,530.41 |
| 1977 | 12 | 4,524,600.00 | 28 | 5,668,066.76 |
| 1978 | 12 | 6,063,000.00 | 26 | 7,850,794.12 |
| 1979 | 6 | 5,058,565.00 | 23 | 12,117,254.14 |
| 1980 | 3 | 1,460,965.00 | 17 | 6,757,182.18 |
| 1981 | 4 | 2,554,000.00 | 7 | 5,344,505.62 |
| 1982 | 2 | 550,500.00 | 5 | 3,301,714.35 |
| **Total** | **219** | **$51,469,164.00** | | |

# Co-operative Development Services Branch

- provides information to individuals and groups on the co-operative model of organization, co-operative principles and practices;
- assists in development of groups leading to their incorporation and recognition as a co-operative enterprise and legal entity;
- provides management advice or training for boards of directors of non-aligned co-operatives to help resolve problems or difficulties prior to these problems becoming a major issue.

Twenty-five development staff are located in nine regional offices throughout Saskatchewan — Regina, Saskatoon, Prince Albert, Tisdale, Yorkton, Estevan, Swift Current, Kindersley and North Battleford.

Staff formerly located in the Housing Division and the Operations Branch became part of a larger Co-operative Development Branch, providing a broad range of development services to the various districts throughout the province.

The Development Branch provides individuals, organizations and communities with information about the co-operative model. Fieldstaff also worked with co-operatives to ensure that assistance was available, if and when required.

An approach using community development as a development model was adopted for field program delivery and staff training.

Co-operative Management Advisors (C.M.A.'s) were instrumental in incorporating 142 new co-operative enterprises in Saskatchewan. These new enterprises include:

- the formation of a resource group for continuing housing co-operatives; the Co-operative Housing Association of Saskatchewan;
- the incorporation of several day care co-operatives; these co-operatives provide a much needed service for parents seeking child care in a centre run by parent controlled boards;
- more than 400 single family dwellings built under the Co-operative Home Building Program; Development C.M.A.'s, in conjunction with staff of the Saskatchewan Housing Corporation, organized co-operatives which were eligible to use mortgage financing, subsidies, land and technical assistance provided by the provincial government;
- C.M.A.'s assisted the Co-operative Housing Association of Saskatchewan in the promotion of continuing housing co-operatives, enabling groups to build multiple family dwellings owned and collectively managed on a co-operative basis through the democratic co-operative structure.

During the year, the George Taylor Co-operative in Regina, a continuing housing co-operative, began construction on a project valued at $2.6 million. Funding was provided by a conventional lender and subsidies were available through Canada Mortgage and Housing Corporation. Another continuing housing co-operative, the Rochdale Village Co-operative made progress with the completion of designs and initial construction underway by the Saskatchewan Housing Corporation in the Regina Cathedral area.

Other continuing housing projects are at various stages of planning. They include: Sixty Plus Co-operative in Moose Jaw, Terra Co-operative in Saskatoon and Meadow Lark Co-operative in Regina.

Co-operative Management Advisors participated with representatives from co-operatives to organize and conduct several workshops, as part of the last phase of the three-year Co-operative Future Directions Project. The workshops were used to collect opinion from local co-operative organizations on issues facing co-operatives, and to provide a forum for future planning.

Several C.M.A.'s participated as a resource to the Co-op Youth Program, aiding a learning process on co-operatives for Saskatchewan youth. This program is jointly sponsored by the department and various co-operatives in the province.

# New Incorporations

**Table III**
**Co-operative Associations Incorporated from April 1, 1981 to March 31, 1982**

| Incorporations | Date Incorporated |
|---|---|
| **Community Recreational** | |
| Halbrite Co-operative Recreational Complex | June 17, 1981 |
| Tupper District Recreational Co-operative | Oct. 26, 1981 |
| **Community - Service** | |
| Radville-Ceylon Bus Line Co-operative | April 22, 1981 |
| Lakeland & District Co-operative Volunteer Fire Department | May 6, 1981 |
| Hudson Bay and District Co-operative Farmer's Market | May 11, 1981 |
| The Fort Qu'Appelle and District Farmers' Market Co-operative Limited | May 11, 1981 |
| The Shellbrook Co-operative Playschool Limited | May 12, 1981 |
| The Candle Lake Ratepayers Co-operative Limited | May 13, 1981 |
| The Wynyard and District Farmers Market Co-operative Limited | May 27, 1981 |
| South Central Saskatchewan Family Life Education Co-operative | June 3, 1981 |
| The Wakaw Playschool Co-operative Limited | June 8, 1981 |
| The Macklin Flying Co-operative Limited | June 29, 1981 |
| The Weyburn Farmers' Market Co-operative Limited | June 29, 1981 |
| La Ronge Child Care Co-operative | July 6, 1981 |
| Garrick Community Developers Co-operative | July 7, 1981 |
| Jack and Jill Co-operative Nursery School | July 17, 1981 |
| Indian Head Child Care Co-operative | July 30, 1981 |
| Sandy Point Co-operative Association Limited | Sept. 3, 1981 |
| Lanigan Co-operative Day Care | Nov. 23, 1981 |
| Kelvington and District Farmers Market Co-operative | Dec. 2, 1981 |
| 44 Trail Preschool Co-operative | Dec. 15, 1981 |
| Today's Co-operative Child Care Centre Limited | Jan. 6, 1982 |
| Dundurn Pre-School Co-operative | Jan. 13, 1982 |
| The Promote Elderly Participation Co-operative Limited | Feb. 10, 1082 |
| Soo Line Day Care Co-operative | Feb. 18, 1982 |
| Kipling Creative Play Centre Co-operative | March 3, 1982 |
| Nipawin Day Care Co-operative | March 17, 1982 |
| Weyburn Child Care Co-operative | March 19, 1982 |
| **Continuing Housing** | |
| The George Taylor Housing Co-operative Limited | April 6, 1981 |
| Sixty + Housing Co-operative Limited | May 11, 1981 |
| The Rochdale Village Housing Co-operative Limited | June 29, 1981 |
| Co-operative Housing Association of Saskatchewan Limited | July 21, 1981 |
| **Homebuilding** | |
| Total — 104 (not listed because of short term incorporation) | |
| **Co-operative Production Associations** | |
| The Conservation Workers Co-operative Limited | May 27, 1981 |
| All - Sask Mutual Services Limited | May 28, 1981 |
| The Studio Co-operative Limited | July 20, 1981 |
| First Co-operative Real Estate Limited | Jan 13, 1982 |
| The Southend Local Co-operative Fishermen's Association Limited | Jan. 25, 1982 |
| **Marketing Associations** | |
| Keetwatin Wild Rice Independent Co-op Enterprizes Limited | June 30, 1981 |

# Co-operative Examination Services Branch

- maintains the register of co-operatives in Saskatchewan
- administers an examination and "early warning system" to monitor the performance of co-operatives and credit unions
- acts as an "ombudsman" for co-operative member complaints
- secretariat to the Co-operative Securities Board and the Family Farm Credit Committee.

During the year ended March 31, 1982, a total of 142 new co-operatives were incorporated, increasing the overall total of co-ops and credit unions at that date to 1,463. This total represents 227 credit unions and 1,236 co-operatives. Of the co-operatives, 1,036 are considered to be non-aligned, or not to have a central body capable of providing them with needed management support services.

**Registry Services**
The branch maintains the register of co-operatives and credit unions in Saskatchewan including those out of province co-operatives which have been registered in Saskatchewan for various purposes.

All applications for incorporation are reviewed to ensure that proper documentation, viability and bylaw requirements have been met. A register is maintained recording all incorporations, amalgamations, dissolutions, changes to bylaws, and special resolutions. The registry function ensures that groups seeking a co-operative charter understand and fulfill the principles of co-operation.

On request, assistance is provided to co-operatives and credit unions in preparing bylaws or amendments to be presented to members. Bylaws are reviewed carefully to ensure compliance with existing provincial legislation. Experience has demonstrated a cause and effect relationship between a strong co-operative organization and sound bylaws.

The branch is staffed by ten Co-operative Mangement Advisors located in offices at Swift Current, North Battleford, Yorkton, Estevan, Saskatoon and Regina.

**Credit Unions**
The branch carries out an in-depth examination and monitoring program of all credit unions in the province. The objective is to do an examination of all credit unions at least once every eighteen months. The major thrust of the examination program is to ensure members' equities are given adequate protection, that sound business practices are being carried out, and that pertinent legislation, namely the Credit Union Act, Standard Bylaws and Supplemental Bylaws are being adhered to.

Branch staff continue to work closely with the Credit Union Mutual Aid Board in ensuring that credit unions in Saskatchewan remain financially sound. The Mutual Aid Board, established under The Credit Union Act, has a responsibility to monitor financial operations of credit unions. To aid in this process, an integrated monitoring system was established resulting in the receipt of reports which provide an accurate monitoring tool and a comprehensive information source on the operations of individual credit unions.

Computer printouts received by the department have provided considerably more data on the operations of credit unions. Computerized reporting has also minimized time lag between month end and submission of data. In this period of rapidly changing interest rates and continued inflation, the integrated monitoring system has assisted credit unions to adjust to changes more readily, thereby avoiding serious operating deficiencies at year end.

This past year has been a year of continued growth within the credit union system. Assets have increased approximately$218 million, the major part of this growth being in deposit accounts. Loans outstanding to the members have increased from $1,828,200,526 on March 31, 1980, to $1,974,005,307 on March 31, 1981, for an increase of 8%. Since credit unions were organized, some $9.4 billion have been granted in loans to members.

**Co-operatives**
The branch monitors financial statements and returns submitted by all of the co-operatives in the province. Irregularities are noted and acted upon as necessary.

As a first priority, examinations are conducted on those co-operatives which have received government funding or guarantees, and secondly on those types of co-operatives targeted as experiencing financial difficulty. Draft examination programs for retail and day care co-operatives have been developed during the past year.

**Member Complaints**
The branch acts in the capacity of "Ombudsman" for co-operative and credit union complaints. An investigation is usually carried out to determine the nature and cause of the complaint and what follow-up action is required.

The investigation provides an opportunity not only to resolve a specific concern but to assist the organization in developing procedures which will ensure similar problems do not arise.

**Statistics**

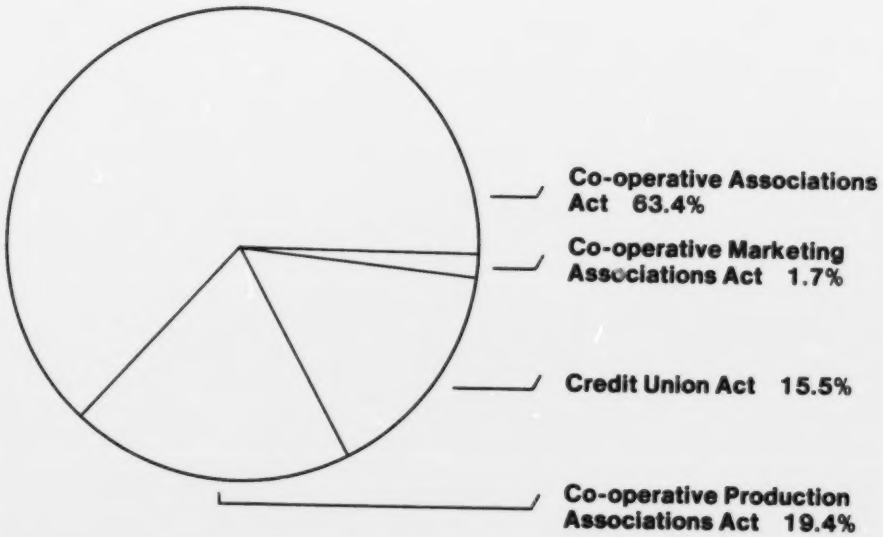
The branch correlates all co-operative and credit union statistics within the province. Credit union statistical information is submitted quarterly and forwarded to the Financial Institutions Branch of Statistics Canada. Co-operative statistical information is submitted annually and forwarded to the Co-operatives Unit of the Federal Department of Agriculture. Information on aggregate financial trends, membership, directors and equity is available upon request.

Co-operatives and credit unions incorporated under the four Acts are classified as listed in the following table:

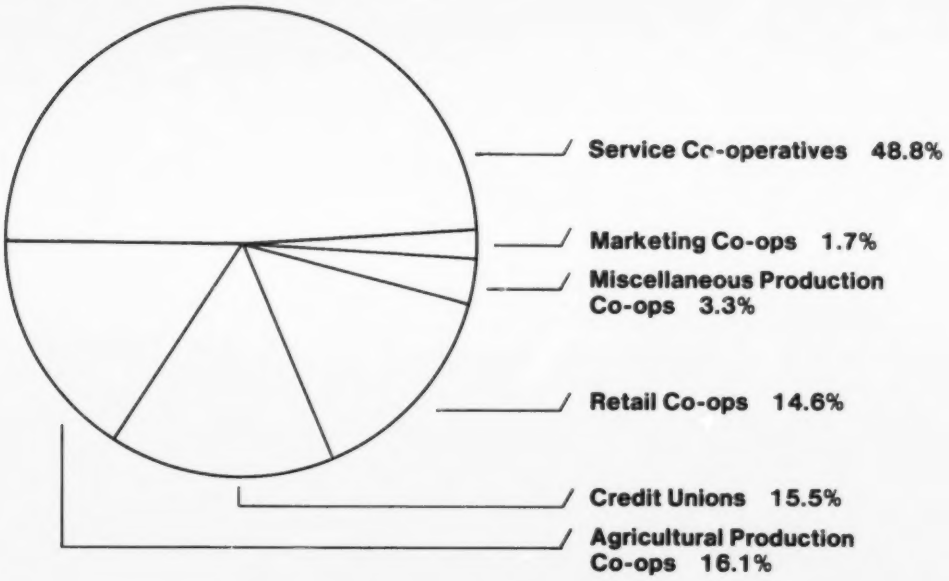
| | |
|---|---|
| **Co-operative Associations Act** | |
| Retail/Consumer | 213 |
| Recreational | 361 |
| Home Building and Continuing Housing | 215 |
| Childcare - Preschool - Playschool | 61 |
| Other | 77 |
| | 927 |
| **Co-operative Production Associations Act** | |
| Farms and Machinery | 71 |
| Grazing | 136 |
| Fodder and Feedlot | 18 |
| Artificial Breeding | 10 |
| Other | 49 |
| | 284 |
| **Co-operative Marketing Associations Act** | |
| Fishermen | 20 |
| Other | 5 |
| | 25 |
| **Credit Union Act** | |
| Credit Unions | 227 |
| **Total Associations at March 31, 1982** | **1,463** |

## Co-operatives and credit unions incorporated under the four acts as a percentage of the total register*

*Some central co-operatives are not included in the graphs below because they operate interprovincially under Federal Government charter, or are incorporated under special provincial legislation not administered by this department.


Co-operative Associations Act 63.4%
Co-operative Marketing Associations Act 1.7%
Credit Union Act 15.5%
Co-operative Production Associations Act 19.4%

## Types of co-operatives and credit unions as a percentage of the total register




**Retail Co-operatives:** Includes stores and seed cleaning plants. Total 213.

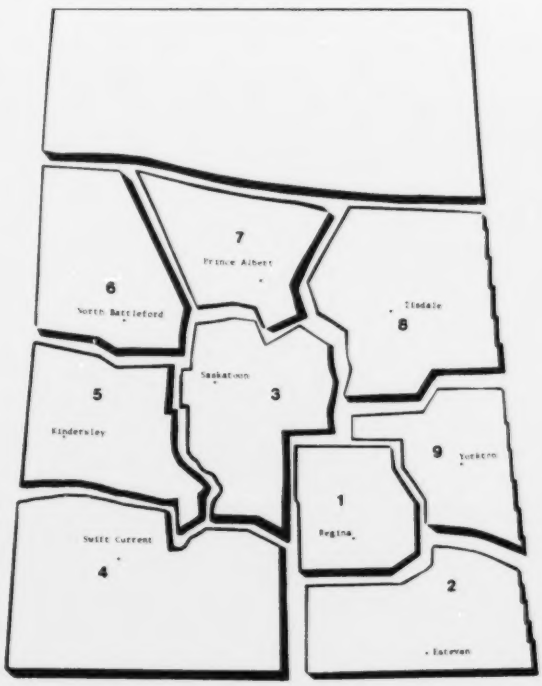
**Service Co-operatives:** Includes housing, recreation, childcare, playschools, farmers' markets, cable T.V., etc. Total 714.

**Agricultural Production Co-operatives:** Includes co-op farms, machinery co-ops, grazing, fodder, feeding. Total 235.

**Miscellaneous Production Co-operatives:** Includes forest products, crafts, culture and workers' co-operatives. Total 49.

**Marketing Co-operatives:** Mostly fisherman's co-ops. Total 25.

**Financial Co-operatives:** Credit unions. Total 227.

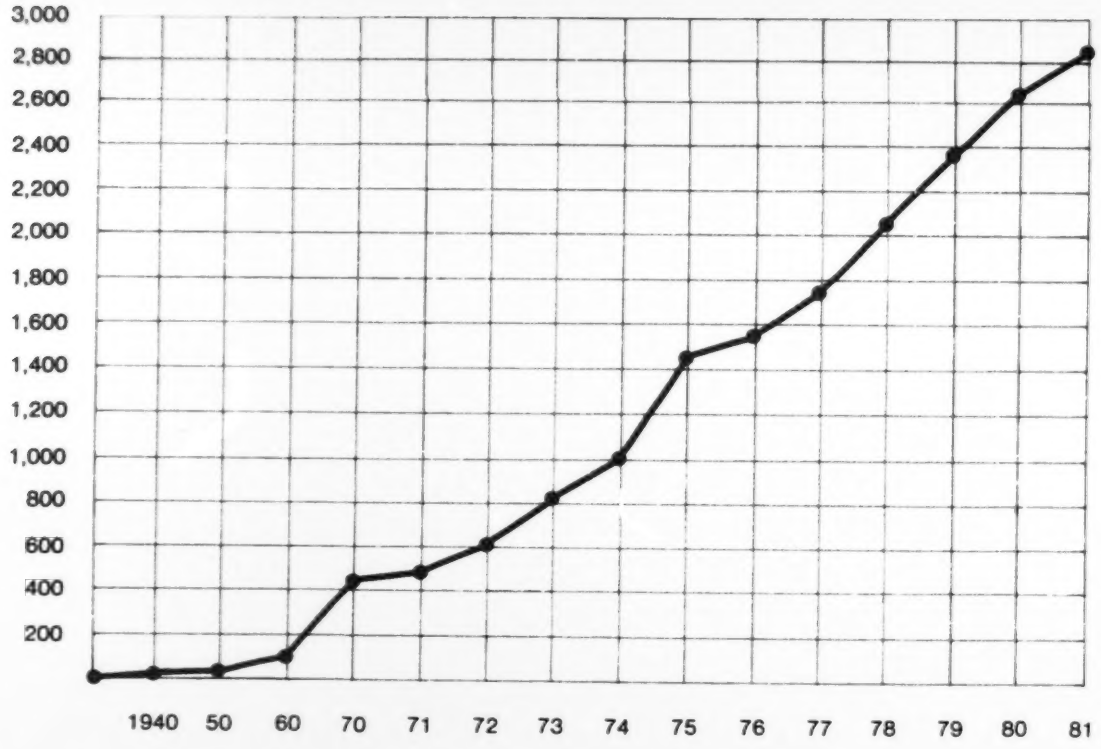



**The 9 district offices of the department.**

# Credit Union Statistics

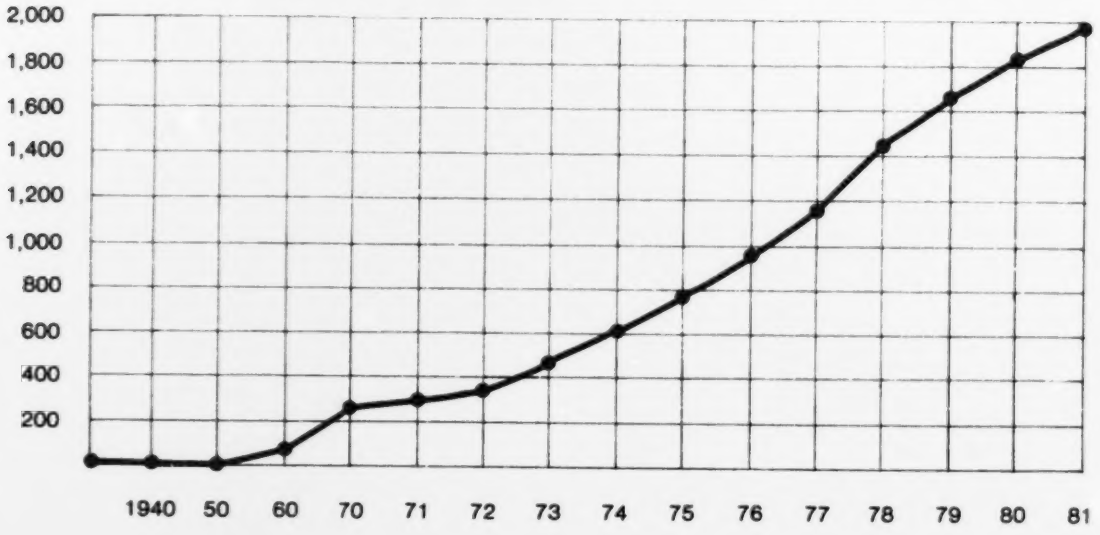
## Asset Increase

(millions $)

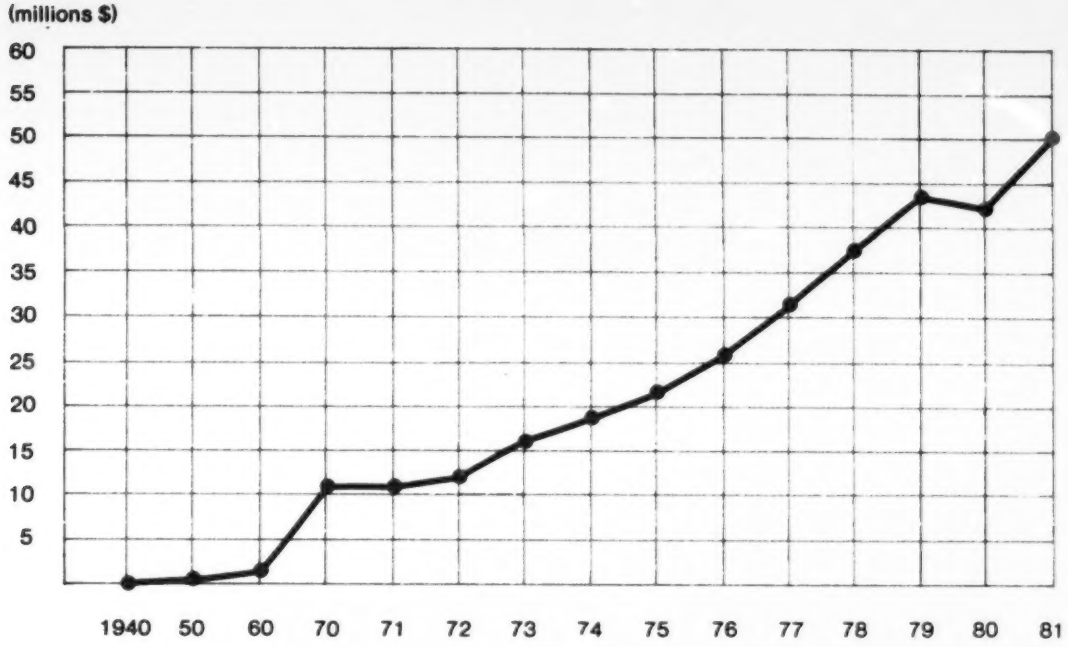



## Loans Outstanding

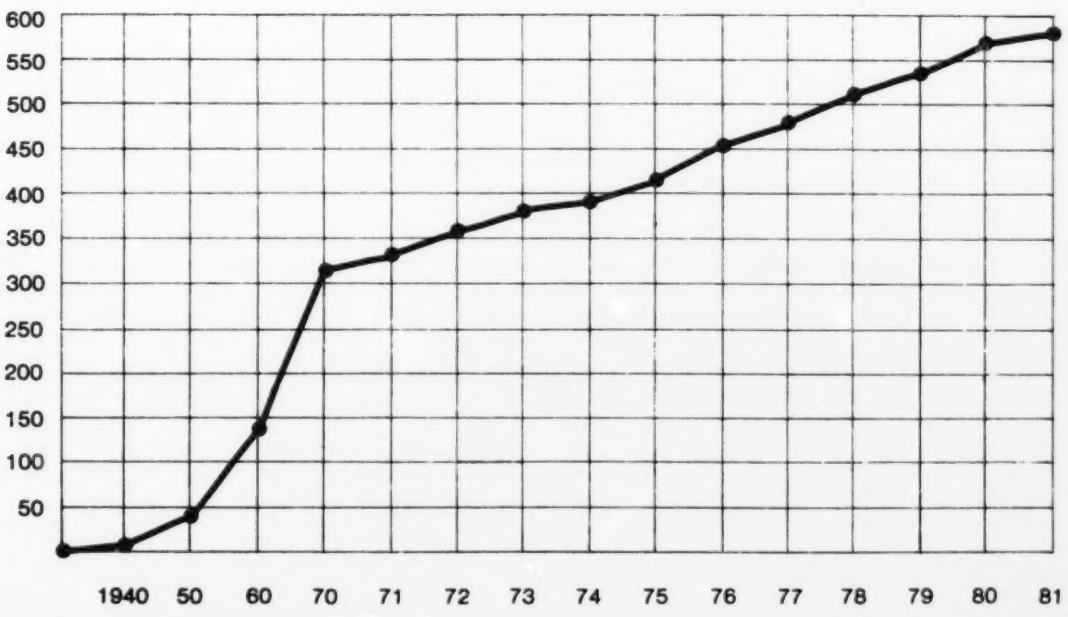
(millions $)



## Statutory Reserve




## Membership



# Co-operative Securities Board

The Co-operative Securities Board was established in June 1956, by Order-in-Council 1284/56, in accordance with Section 122a of The Co-operative Associations Act 1953, and subsequent amendments.

The members of Co-operative Securities Board March 31, 1982 were:

Mr. A. E. Mulholland, Regina, Chairman
Mr. A. E. Rasmussen, Saskatoon
Mr. L. R. Tendler, Regina
Mr. P. D. Calibaba, Regina
Mr. C. R. Kasha, Regina
Mr. M. Curle, Regina, Secretary/Analyst

**Purpose:**
The functions and powers of the Co-operative Securites Board are outlined in Section 131 of The Co-operative Associations Act (R.S.S. 1978 Ch. C-34). The board's basic purpose is to review issues of securities that are proposed by co-operatives incorporated or registered under the Act. The Board will study the financial position and operational results of an association in order to determine its capacity to pay the interest on, and the principal of, the securities as they become due. If such a review indicates certain weaknesses in the proposed issue, the board may either turn down the issue or prescribe certain conditions in order to increase the probability of repayment of principal and interest.

Subsection (3) of Section 131 provides that, pursuant to regulations which may be passed under Subsection (2), certain securities issues will not require approval by the board. Exempt from board review are securities issued by companies licensed under The Trust and Loan Companies Licensing Act, 1969 or The Saskatchewan Insurance Act; or securities guaranteed by federal or provincial governments.

**Operations:**
During the 1981/82 fiscal year the board met three times to review applications for securities, adjustments to interest rates on previously approved issues, administration of redemption funds and revisions to prospectuses.

**Statistical Data on Approved Securities Issues**
Co-operative securities issues are generally divided into three categories: debentures, which may be sold to members and the public; savings bonds, which may be sold to members and the public; and savings certificates, which may be sold only to members.

In Saskatchewan, a co-operative debenture is secured by a first mortgage on real property. A 100% redemption fund is usually provided or, alternatively the co-operative agrees to redeem a certain value of debentures each year.

Savings bonds, although adequately secured, do not enjoy a first mortgage on real property, but rather a second mortgage or some other form of security. Savings bond issues are only approved in exceptional circumstances and for the purposes of this report are included with debentures.

Saving certificates, while not secured by any mortgage, pledge or charge, are direct obligations of the association issuing the certificates. In many instances a redemption fund is provided, usually for 100% of the value of the issue over the term.

Since its inception the Board has approved 139 issues of debentures totalling $403,501,000. According to the latest statistics available, the actual amount of outstanding issues in force is $388,712,000.

During the 1981/82 fiscal year the Board approved one issue of savings certificates in the amount of $2,000,000. Since its inception the Board has approved 202 issues worth $55,549,500. The latest statistics available record the actual amount of outstanding issues at the end of the fiscal year as $22,341,450.

In addition to approving the above-mentioned applications, the board has approved one application for the sale of preferred shares in the amount of $1,000,000. The terms of this preferred share issue were such that it was deemed a securities issue and was therefore subject to board consideration.

**Summary:**
Since the Co-operative Securities Board was established in 1956 it has approved 342 applications for the sale of $460,050,500 worth of securities. Except for one issue, where there occurred a loss to investors of $5,300, all securities approved by the Board have been fully redeemed at maturity. The loss is less than 1/800 of 1% of the value of the total of the issues approved.

# Family Farm Credit Act

**Advisory Committee:**
When The Family Farm Credit Act was enacted in 1959, it stipulated under Section 22 that an advisory committee to the Act be established. The committee was set up on July 7 of that year and has operated ever since. The members of the committee as of March 31, 1982 were:

Mr. Grant Mitchell
Mr. Allan Mulholland
Mr. Morley Meiklejohn
Mr. Monte Curle, Secretary/Alternate

**Loans:**
Loans under the Act are made and administered by the Co-operative Trust Company of Canada. No new loans have been granted since 1966. Since its inception, there were 575 loans granted amounting to $7,139,181. Of this amount $6,501,417 of loans have been repaid. The latest statistics indicate there are 96 loans with a total value of $637,764 still outstanding. No losses are anticipated on any of these loans.

**Securities:**
Acting in accordance with Section 6 of the Act, the government reached agreement on May 10, 1960, under which it guaranteed payment of principal and interest on securities issues by the Co-operative Trust Company to raise funds for the purposes of the Act. The amounts of securities that were subsequently sold was $7,140,725. Of this amount $4,406,600 was purchased by the Minister of Finance. Since no new loans were granted since 1966, measures are being taken to redeem some of these securities. To date, $6,364,875 of securities have been redeemed.

**Government Grants:**
Section 7 of the Act provides for reimbursement of losses suffered by the Co-operative Trust Company in the course of making family farm loans. No grants were made under Section 7. The government did, however, help the company in defraying expenses in making loans. These grants, provided for in Section 25 of the Act, amounted to $70,042.

**Saskatchewan Co-operation and Co-operative Development**

**2055 Albert Street**
**Regina, Saskatchewan**
**S4P 3V7**

Sturdy-Stone Building
122 3rd Avenue North
Saskatoon, Saskatchewan
S7K 2H6
Telephone: 664-6260

350 Cheadle Street West
Swift Current, Saskatchewan
S9H 4G3
Telephone: 773-4281

Civic Centre
P.O. Box 2048
Tisdale, Saskatchewan
S0E 1T0
Telephone: 873-2555

72 Smith Street East
Yorkton, Saskatchewan
S3N 2Y4
Telephone: 783-3223

Derrick Plaza Building
1219 5th Street
Estevan, Saskatchewan
S4A 0Z1
Telephone: 634-5880

Provincial Building
P.O. Box 1861
Kindersley, Saskatchewan
S0L 1S0
Telephone: 463-3731

1192 102nd Street
North Battleford, Saskatchewan
S9A 1K3
Telephone: 445-6267

1205 1st Avenue East
Prince Albert, Saskatchewan
S6V 2V6
Telephone: 763-8575